



# STAFF REPORT

CITY COUNCIL of the CITY of SAUSALITO

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## AGENDA TITLE

Discussion and Direction Regarding Preliminary Proposal for Supplemental Environmental Project A, Sewer Enhancement Project, under Agreement between the City of Sausalito and Northern California River Watch dated December 3, 2008

## RECOMMENDED MOTION

Direct Staff to Transmit Preliminary Draft Proposal on or Before February 27, 2009 to Northern California River Watch for Review and Reasonable Approval

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## SUMMARY:

In the Agreement between the City of Sausalito and Northern California River Watch dated December 3, 2008 (the "Agreement"), the City agreed that leakage and/or releases from sewer laterals owned by private parties ("Private Laterals") may enter or have impacts on, among other things, nearby storm drains which discharge to waters of the Central San Francisco Bay. Within twelve (12) months of the Effective Date of the Agreement, the City agreed to provide funding for a Sewer Enhancement Project ("SEP") in the amount of One Hundred Thousand Dollars (\$100,000.00) for investigation and repair of Private Laterals located within the City, including, as appropriate, a reduced cost or grant program for Private Lateral replacement. The Agreement establishes that the SEP shall be reasonably approved by River Watch for the purpose of assuring consistency with the intent of the project, as set forth in the Agreement. The City agreed to provide a description of the proposed SEP in writing to River Watch within ninety (90) days of the Effective Date of the Agreement – on or before March 3, 2009.

Staff has prepared the attached preliminary proposal for said SEP on the basis of an existing program that the Sausalito-Marin City Sanitation District (the District) and the Tamalpais Community Services District (TCSD) plan to expand. The framework of the proposed SEP was provided to the City's Sustainability Commission at its February 5, 2009 meeting, and Staff was encouraged to advance the proposal to Council for direction in order to meet the deadline for submittal of a proposal under the Agreement. The proposed SEP is summarized below:

The City of Sausalito would contribute the full \$100,000 under the Agreement to join with the District and TCSD's plan to continue and expand the existing Private Sewer Lateral Rehabilitation Assistance Program. The original elements to be retained are:

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- 100% funding reimbursement for the cost of video inspection of Private Lateral and,
- up to 50% funding reimbursement, to a maximum of \$1,000, for sewer lateral repair/replacement identified as warranted based on the video inspection.

In addition, the expanded Private Sewer Lateral Rehabilitation Assistance Program will (a) promote voluntary video inspection of private sewer laterals that are 10 years of age or older, (b) provide a low interest loan program for the cost of repairs, and (c) bundle inspection and repair of Private Laterals with Public Work. Details of each element of the SEP are contained in the attached draft. The District, TCSD and the City of Sausalito would contract for group rates to reduce the overall cost of Private Lateral inspections, which would be paid for with Private Sewer Lateral Rehabilitation Assistance Program funds. In addition, The District, City and TCSD will offer an incentive low interest loan for property owners to participate in lateral repair/replacement program. Property owners whose sewer laterals are in need of repair/replacement in the judgment of the respective agency staff will be offered three choices; 1) defer for later action when sale, major remodel of the property or bundling with a Public Work project takes place (sewer lateral assessment data will be entered into a database), 2) avail themselves of the basic Private Sewer Lateral Rehabilitation Assistance Program, where the property owner would receive up to 50% of the cost of the repair/replacement up to a maximum of \$1,000 and 3) avail themselves of the low interest rate loan program, where the property owner would receive loan financing for the full cost of the sewer lateral repair. The term of the loan would be for a minimum of five (5) years. The District, City and TCSD would collect loan payments via the tax roll similar to the way sewer service charges are collected.

The District, City and TCSD will fund the lateral repair loan program with a limit of \$500,000. Loans will be offered on a first-come, first-served basis. With sewer lateral replacement costs typically ranging on the order of \$3,000 to \$7,000, the District, City and TCSD would expect to be able to finance between 70 and 200 Private Lateral replacements. Further, the District, City and TCSD are each planning to implement collection system repair/rehabilitation projects over the next five years to correct defects in the mainline sewer system and make other significant improvements. The District, City and TCSD will each add provisions to mainline repair or replacement contracts for the contractor to also provide lateral repair and replacement services. Costs would be reduced by economies of scale and the fact that the contractor is already deployed in the neighborhood. These rates would be lower than those that can be obtained by property owners individually. The bids are based on doing the work to the Agency standards and would either be lump sum or unit price (e.g. cost per foot). Each Agency will ensure that such repairs are included in the scope of work actually performed and implement appropriate cost recovery mechanisms to allow the property owners to take advantage of the reduced costs.

**ISSUES**

None identified. Details of the financial and other logistical structures remain to be developed by the three agencies. A review draft of the proposal has been circulated to the General Managers of the District and the TCSD but no comments have been received as of Friday February 13, 2009.

**FISCAL IMPACT**

Funding would be appropriated from Sewer Fund reserves once the program was implemented. It is anticipated that this would not be necessary before July 1, 2009.

**STAFF RECOMMENDATION**

Direct Staff to Transmit Preliminary Draft Proposal on or Before February 27, 2009 to Northern California River Watch for Review and Reasonable Approval

**ATTACHMENTS**

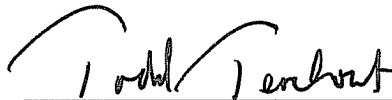
Draft Proposed Supplemental Environmental Project A, Sewer Enhancement Project, City of Sausalito

PREPARED BY:



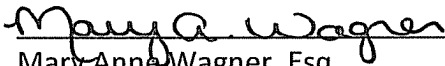
Jonathon Goldman  
Director of Public Works

REVIEWED BY:



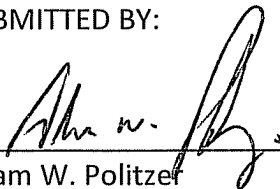
Todd Teachout, PE  
City Engineer

REVIEWED BY:



Mary Anne Wagner, Esq.  
City Attorney

SUBMITTED BY:



Adam W. Politzer  
City Manager

[Disc and Direct River Watch Prelim Draft SEP]

ATTACHMENTS 1

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**Proposed  
Supplemental Environmental Project A  
Sewer Enhancement Project  
City of Sausalito**

Pursuant to Section I.A of the Agreement between the City of Sausalito and Northern California River Watch dated December 3, 2008 (the "Agreement").

Project Name:	Private Sewer Lateral Inspection and Rehabilitation Assistance Program for Properties in the City of Sausalito Service Area
Location:	City of Sausalito, San Francisco Bay Watershed.
Name of Contacts:	Jonathon Goldman, Director of Public Works
Phone Number:	415-289-3176
Category:	Pollution Prevention and Reduction
General Cost:	\$100,000 from City's Sewer Fund
Expected Completion Date:	Ongoing

### Background

In the Agreement, River Watch and the City agreed that leakage and/or releases from sewer laterals owned by private parties ("Private Laterals") may enter or have impacts on, among other things, nearby storm drains which discharge to waters of the Central San Francisco Bay. Within twelve (12) months of the Effective Date of the Agreement, the City agreed to provide funding for a Sewer Enhancement Project ("SEP") in the amount of One Hundred Thousand Dollars (\$100,000.00) for investigation and repair of Private Laterals located within the City, including, as appropriate, a reduced cost or grant program for Private Lateral replacement. The Agreement establishes that the SEP shall be reasonably approved by River Watch for the purpose of assuring consistency with the intent of the project, as set forth in the Agreement. The City agreed to provide a description of the proposed SEP in writing to River Watch within ninety (90) days of the Effective Date of the Agreement – that is, on or before March 3, 2009.

The Sausalito-Marin City Sanitation District (the "District") manages an existing Private Sewer Lateral Rehabilitation Assistance Program that provides financial assistance to property owners for inspection and repair/replacement of Private Laterals. Under the District's program, property owners can receive 100% funding reimbursement for the cost of video inspection and up to 50% funding reimbursement, to a maximum of \$1,000, for repair/replacement of their sewer lateral.

The District advertised its program to all customers in newsletters dated February 2008 and May 2008. In addition, details of the program are prominently presented on the District's website under "Featured Stories." (See <http://www.sausalitomarincitysanitarydistrict.com/fs/>). City of Sausalito staff have been provided with application forms as well, and have been proactive in providing them to residents where appropriate.

The District's program is intended to reduce excessive inflow and infiltration (I&I) into its regional wastewater collection system including those of its tributary agencies, the City of Sausalito and the Tamalpais Community Services District ("TCSD"). The District's program exceeds its strict legal obligations in that Private Laterals in Marin City, the City of Sausalito, and the TCSD service areas, are the legal responsibility of the property owners, and the laterals feed into collection systems owned and operated by the District, the City of Sausalito, and TCSD (collectively, the "Agencies").

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Further, in 2005, the California Regional Water Quality Control Board, San Francisco Bay Region, adopted Resolution No. R2-2005-0059, "In Support of Programs for Inspection and Rehabilitation of Private Sewer Laterals," which officially recognized that sewer laterals in poor condition may cause surcharging of public sewers, overload pump stations and wastewater treatment plants, and potentially pose localized human health and environmental risks. Local programs for inspection and rehabilitation of Private Laterals are a means of assuring that laterals are not a source of unreasonable amounts of inflow and infiltration or blockages. The Resolution states that the Regional Water Board supports and encourages local communities and sanitary sewer collection system agencies, especially those experiencing significant infiltration and inflow from private sewer laterals, to have a program that requires inspection and rehabilitation of private sewer laterals.

#### **Proposed Sewer Enhancement Project**

The City of Sausalito proposes to contribute the full \$100,000 of its SEP under the Agreement to join with the District and TCSD's plan to continue and expand the existing Private Sewer Lateral Rehabilitation Assistance Program. The original elements to be retained are:

- 100% funding reimbursement for the cost of video inspection of Private Lateral and,
- up to 50% funding reimbursement, to a maximum of \$1,000, for sewer lateral repair/replacement identified as warranted based on the video inspection.

In addition, the expanded Private Sewer Lateral Rehabilitation Assistance Program will (a) promote *voluntary* video inspection of private sewer laterals that are 10 years of age or older (the assumption being that a lateral younger than 10 years is on good condition), (b) provide a low interest loan program for the cost of repairs, and (c) bundle inspection and repair of Private Laterals with Public Work projects. Details of each element of the expanded Program follow.

#### **Voluntary Inspection of Private Laterals**

The District, TCSD and the City of Sausalito would contract for group rates to reduce the overall cost of the inspections, which would be paid for with Private Sewer Lateral Rehabilitation Assistance Program funds. The implementation of the program is proposed to be based on the following criteria:

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Area	Criteria
CCTV Operator	The CCTV operator performing the inspection shall be experienced and knowledgeable in defect recognition and severity rating. Defects where repairs are warranted include longitudinal and spiral cracks, fractures, separated joints, joints with large offsets, and failed welds. Defects of these types could allow significant quantities of infiltration to enter the lateral.
Video Content and Quality	The video shall start and end with a view of the front of the building showing distinguishing features and the street number. Records shall be in DVD format. The video picture shall be clear, the rate of inspection shall not exceed 30 feet per minute, and the operator shall stop long enough at each defect to provide adequate time for evaluation.
Passing Criteria	<ul style="list-style-type: none"> <li>Cleanout cap(s) securely in place</li> <li>No visible root intrusion</li> <li>No visible infiltration or exfiltration</li> <li>No connections that allow non-sanitary wastewater to enter the lateral</li> <li>No significant structural defects</li> </ul>

**CCTV Inspection Program and Passing Criteria**

Under the expanded Private Sewer Lateral Rehabilitation Assistance Program, TCSD would inspect up to 100 Private Laterals in its service area, the District would inspect up to 300 Private Laterals in Marin City and Sausalito would inspect up to 300 Private Laterals within City Limits. The District, City and TCSD staff respectively will meet with the property owners to review the videos and assess the condition the lateral. A database would be constructed to record the status of each property owner involved in the program and the status of their sewer lateral.

**Low Interest Loan Program**

The District, City and TCSD will offer an incentive low interest loan for property owners to participate in lateral repair/replacement program. Property owners whose sewer laterals are in need of repair/replacement in the judgment of the respective agency staff will be offered three choices; 1) defer for later action when sale, major remodel of the property or bundling with a Public Work project takes place (sewer lateral assessment data will be entered into a database), 2) avail themselves of the basic Private Sewer Lateral Rehabilitation Assistance Program, where the property owner would receive up to 50% of the cost of the repair/replacement up to a maximum of \$1,000 and 3) avail themselves of the low interest rate loan program, where the property owner would receive loan financing for the full cost of the sewer lateral repair. The term of the loan would be for a minimum of five (5) years. The District, City and TCSD would collect loan payments via the tax roll similar to the way sewer service charges are collected.

The District, City and TCSD will fund the lateral repair loan program with a limit of \$500,000. Loans will be offered on a first-come, first-served basis. With sewer lateral replacement costs typically ranging on the order of \$3,000 to \$7,000, the District, City and TCSD would expect to be able to finance between 70 and 200 Private Lateral replacements. Generally, it would be expected that TCSD's customers would be funded from TCSD and the District's contributions, and the City's customers would be funded from City

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and District contributions.

**Low Cost Lateral Repair/Replacement**

The District, City and TCSD are each planning to implement collection system repair/rehabilitation projects over the next five years to correct defects in the mainline sewer system and make other significant improvements. The District, City and TCSD will each add provisions to mainline repair or replacement contracts for the contractor to also provide lateral repair and replacement services. Costs would be reduced by economies of scale and the fact that the contractor is already deployed in the neighborhood. These rates would be lower than those that can be obtained by property owners individually. The bids are based on doing the work to the Agency standards and would either be lump sum or unit price (e.g. cost per foot). Each Agency will ensure that such repairs are included in the scope of work actually performed and implement appropriate cost recovery mechanisms to allow the property owners to take advantage of the reduced costs.

**Certificate of Compliance**

Upon satisfactory completion of work, the District, City and TCSD within the City, an inspection will be performed and will issue a transferable Certificate of Compliance will be issued to the property owner when the lateral has met satisfied the inspection and testing requirements. The length of time that the Certificate of Compliance is valid would vary varies based on the nature of the work completed. The duration will be 10 years when the lateral passes the inspection or was repaired and it is 20 years when the lateral has been replaced (including full length rehabilitation). Newly-constructed laterals will be given a 20-year Certificate of Compliance.

**Activity Description and Schedule**

The following table outlines program activities and estimates completion times:

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	<b>Activity</b>	<b>Estimated Completion Time</b>
1	Public Outreach - Private Lateral Inspection and Repair Program: The Agencies will advertise the program and will conduct public outreach in their respective jurisdictions to encourage property owners to authorize the lateral inspections. Interested property owners will be required to sign a right of entry and lateral inspection application form.	12 months
2	Contract for Video Inspection: The Agencies shall contract for video inspection services and schedule for the work to be performed.	6 months
3	Video Inspection: Agency contractors shall perform the video inspections and assess the condition of pipes. The Program managers will meet with the property owner to review the video tapes and the condition assessment. The Program managers will advise the property owners of the grant and low interest loan programs and have the property owner sign an agreement form to have the work done.	3 months
4	Marin City Collection System Repair and Rehabilitation Project Design: The District will retain an engineering consultant to prepare plans and specifications for the project and will include a bid item for repair/rehabilitation of private sewer laterals. Other Agency Capital Projects -- ongoing	3 months
5	Repairs and Replacements: The Agencies will obtain bids and hire a contractor to conduct repairs/replacements. The Program Managers will work with property owners to sign the grant or loan agreements and schedule the work. The Program managers will ensure that proper inspections are completed.	6 months
6	Certificate of Compliance: Upon satisfactory completion of the work, the agencies shall issue Certificates of Compliance	Ongoing
7	Reimbursement: The Program managers will pay the contractor, notify the property owner of the completion of work, and administer the loan program.	60 months
8	Record Keeping and Database Development: The Program manager will record the status of each property owner involved in the program. A database will be maintained.	Ongoing